APPLICATION FOR INITIATIVE OR REFERENDUM PETITION SERIAL NUMBER

Secretary of State
1700 W. Washington Street, 7th Floor
Phoenix, AZ 85007

The undersigned intends to circulate and file an **INITIATIVE** or a **REFERENDUM** (circle the appropriate word) petition and hereby makes application for the issuance of an official serial number to be printed in the lower right-hand corner of each side of each signature sheet of such petition. Pursuant to Arizona Revised Statutes § 19-111, attached hereto is the full text, in no less than eight point type, of the **MEASURE** or **CONSTITUTIONAL AMENDMENT** (circle appropriate word) intended to be **INITIATED** or **REFERRED** (circle appropriate word) at the next general election.

SUMMARY: A description of no more than one hundred words of the principal provisions of the proposed law, constitutional amendment or measure that will appear in no less than eight point type on the face of each petition signature sheet to be circulated.

Prop 13 Arizona limits property taxes. Prop 13 Arizona caps the total property tax rate and limits property tax bill increases to no more than 2% per year, phases out the personal property tax over 3 years, and ends the current K-12 school funding formula by eliminating primary and secondary property tax designations on which it is based

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Lynne Weaver
Signature of Applicant

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Printed Name of Applicant

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Date of Application	8-20-15
Signatures Required	225,963
Deadline for Filing	7-7-16
Serial Number Issued	C-04-2016

FOR OFFICE USE ONLY

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CF# 200602844

Prop 13 Arizona

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OFFICIAL TITLE

AN INITIATIVE MEASURE

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; REPEALING ARTICLE IX, SECTIONS 2, 2.1, 2.2., 2.3, 18 AND 19, CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX, CONSTITUTION OF ARIZONA BY ADDING A NEW SECTION 18; RELATING TO PROPERTY TAXATION.

Be it enacted by the People of the State of Arizona:

Section 1. Title
This measure shall be known as Prop 13 Arizona.

Section 2. Intent
The intent of Prop 13 Arizona is to enact property tax reform in Arizona by amending Article IX, Constitution of Arizona, repealing the existing Sections 2, 2.1, 2.2, 2.3, 18, and 19 and adding a new Section 18. Upon approval of the voters, Article IX, Sections 2, 2.1 2.2 2.3,18 and 19, Constitution of Arizona are repealed and Article IX is amended by adding a new Section 18 as follows.

Section 3. Amendment of Article IX, Constitution of Arizona through the repeal of existing Sections 2., 2.1, 2.2, 2.3, 18 and 19 and addition of a new Section 18.

~~2. Property subject to taxation; exemptions~~
~~Section 2. (1) There shall be exempt from taxation all federal, state, county and municipal property.~~
~~(2) Property of educational, charitable and religious associations or institutions not used or held for profit may be exempt from taxation by law.~~
~~(3) Public debts, as evidenced by the bonds of Arizona, its counties, municipalities or other subdivisions, shall also be exempt from taxation.~~
~~(4) All household goods owned by the user thereof and used solely for noncommercial purposes shall be exempt from taxation, and such person entitled to such exemption shall not be required to take any affirmative action to receive the benefit of such exemption.~~
~~(5) Stocks of raw or finished materials, unassembled parts, work in process or finished products constituting the inventory of a retailer or wholesaler located within the state and principally engaged in the resale of such materials, parts or products, whether or not for resale to the ultimate consumer, shall be exempt from taxation.~~
~~(6) The legislature may exempt personal property that is used for agricultural purposes or in a trade or business from taxation in a manner provided by law, except that the exemption does not apply to any amount of the full cash value of the personal property of a taxpayer that exceeds fifty thousand dollars. The legislature may provide by law to increase the exempt amount according to annual variations in a designated national inflation index.~~
~~(7) The legislature may exempt the property of cemeteries that are set apart and used to inter deceased human beings from taxation in a manner provided by law.~~
~~(8) There shall be further exempt from taxation the property of each honorably discharged airman, soldier, sailor, United States marine, member of revenue marine service, the coast guard, nurse corps or of any predecessor or of the component of auxiliary of any thereof, resident of this state, in the amount of:~~
~~(a) One thousand five hundred dollars if the total assessment of such person does not exceed three thousand five hundred dollars.~~
~~(b) One thousand dollars if the total assessment of such person does not exceed four thousand dollars.~~
~~(c) Five hundred dollars if the total assessment of such person does not exceed four thousand five hundred dollars.~~
~~(d) Two hundred fifty dollars if the total assessment of such person does not exceed five thousand dollars.~~
~~(e) No exemption if the total assessment of such person exceeds five thousand dollars.~~
~~No such exemption shall be made for such person unless such person shall have served at least sixty days in the military or naval service of the United States during World War I or prior wars and shall have been a resident of this state prior to September 1, 1945.~~
~~(9) There shall be further exempt from taxation as herein provided the property of each honorably discharged airman, soldier, sailor, United States marine, member of revenue marine service, the coast guard, nurse corps or of any predecessor or of the component of auxiliary of any thereof, resident of this state, where such person has a service-connected disability as determined by the United States veterans administration or its successor. No such exemption shall be made for such person unless he shall have been a resident of this state prior to September 1, 1945 or unless such person shall have been a resident of this state for at least four years prior to his original entry into service as an airman, soldier, sailor, United States marine, member of revenue marine service, the coast guard, nurse corps or of any predecessor or of the component of auxiliary of any thereof. The property of such person having a compensable service-connected disability exempt from taxation as herein provided shall be determined as follows:~~

~~(a) If such person's service-connected disability as determined by the United States veterans administration or its successor is sixty per cent or less, the property of such person exempt from taxation shall be determined by such person's percentage of disability multiplied by the assessment of such person in the amount of:~~
~~(i) One thousand five hundred dollars if the total assessment of such person does not exceed three thousand five hundred dollars.~~
~~(ii) One thousand dollars if the total assessment of such person does not exceed four thousand dollars.~~
~~(iii) Five hundred dollars if the total assessment of such person does not exceed four thousand five hundred dollars.~~
~~(iv) Two hundred fifty dollars if the total assessment of such person does not exceed five thousand dollars.~~
~~(v) No exemption if the total assessment of such person exceeds five thousand dollars.~~
~~(b) If such person's service-connected disability as determined by the United States veterans administration or its successor is more than sixty per cent, the property of such person exempt from taxation shall be in the amount of:~~
~~(i) One thousand five hundred dollars if the total assessment of such person does not exceed three thousand five hundred dollars.~~
~~(ii) One thousand dollars if the total assessment of such person does not exceed four thousand dollars.~~
~~(iii) Five hundred dollars if the total assessment of such person does not exceed four thousand five hundred dollars.~~
~~(iv) Two hundred fifty dollars if the total assessment of such person does not exceed five thousand dollars.~~
~~(v) No exemption if the total assessment of such person exceeds five thousand dollars.~~
~~(10) There shall be further exempt from taxation the property of each honorably discharged airman, soldier, sailor, United States marine, member of revenue marine service, the coast guard, nurse corps or of any predecessor or of the component of auxiliary of any thereof, resident of this state, where such person has a nonservice-connected total and permanent disability, physical or mental, as so certified by the United States veterans administration, or its successor, or such other certification as provided by law, in the amount of:~~
~~(a) One thousand five hundred dollars if the total assessment of such person does not exceed three thousand five hundred dollars.~~
~~(b) One thousand dollars if the total assessment of such person does not exceed four thousand dollars.~~
~~(c) Five hundred dollars if the total assessment of such person does not exceed four thousand five hundred dollars.~~
~~(d) Two hundred fifty dollars if the total assessment of such person does not exceed five thousand dollars.~~
~~(e) No exemption if the total assessment of such person exceeds five thousand dollars.~~
~~No such exemption shall be made for such person unless he shall have served at least sixty days in the military or naval service of the United States during time of war after World War I and shall have been a resident of this state prior to September 1, 1945.~~
~~(11) There shall be further exempt from taxation the property of each widow, resident of this state, in the amount of:~~
~~(a) One thousand five hundred dollars if the total assessment of such widow does not exceed three thousand five hundred dollars.~~
~~(b) One thousand dollars if the total assessment of such widow does not exceed four thousand dollars.~~
~~(c) Five hundred dollars if the total assessment of such widow does not exceed four thousand five hundred dollars.~~
~~(d) Two hundred fifty dollars if the total assessment of such widow does not exceed five thousand dollars.~~
~~(e) No exemption if the total assessment of such widow exceeds five thousand dollars.~~
~~In order to qualify for this exemption, the income from all sources of such widow, together with the income from all sources of all children of such widow residing with the widow in her residence in the year immediately preceding the year for which such widow applies for this exemption, shall not exceed:~~
~~1. Seven thousand dollars if none of the widow's children under the age of eighteen years resided with her in such widow's residence; or~~
~~2. Ten thousand dollars if one or more of the widow's children residing with her in such widow's residence was under the age of eighteen years, or was totally and permanently disabled, physically or mentally, as certified by competent medical authority as provided by law.~~
~~Such widow shall have resided with her last spouse in this state at the time of the spouse's death if she was not a widow and a resident of this state prior to January 1, 1969.~~
~~(12) No property shall be exempt which has been conveyed to evade taxation. The total exemption from taxation granted to the property owned by a person who qualifies for any exemption in accordance with the terms of subsections (8), (9), (10) or (11) shall not exceed one thousand five hundred dollars. The provisions of this section shall be self-executing.~~
~~(13) All property in the state not exempt under the laws of the United States or under this constitution or exempt by law under the provisions of this section shall be subject to taxation to be ascertained as provided by law.~~
~~2.1. Exemption from tax; property of widowers~~
~~Section 2.1. There shall be further exempt from taxation the property of each widower, resident of this state, in the amount of:~~
~~1. One thousand five hundred dollars if the total assessment of such widower does not exceed three thousand five hundred dollars.~~
~~2. One thousand dollars if the total assessment of such widower does not exceed four thousand dollars.~~
~~3. Five hundred dollars if the total assessment of such widower does not exceed four thousand five hundred dollars.~~
~~4. Two hundred fifty dollars if the total assessment of such widower does not exceed five thousand dollars.~~
~~5. No exemption if the total assessment of such widower exceeds five thousand dollars.~~
~~In order to qualify for this exemption, the income from all sources of such widower, together with the income from all sources of all children of such widower residing with the widower in his residence in the year immediately preceding the year for which such widower applies for this exemption, shall not exceed:~~
~~1. Seven thousand dollars if none of the widower's children under the age of eighteen years resided with him in such widower's residence; or~~
~~2. Ten thousand dollars if one or more of the widower's children residing with him in such widower's residence was under the age of eighteen years, or was totally and permanently disabled, physically or mentally, as certified by competent medical authority as provided by law.~~
~~Such widower shall have resided with his last spouse in this state at the time of the spouse's death if he was not a widower and a resident of this state prior to January 1, 1969.~~

~~No property shall be exempt which has been conveyed to evade taxation. The total exemption from taxation granted to the property owned by a person who qualifies for any exemption in accordance with the terms of this section shall not exceed one thousand five hundred dollars. This section shall be self-executing.~~

~~2.2. Exemption from tax; property of persons who are disabled~~

~~Section 2.2. A. There shall be further exempt from taxation the property of each person who, after age seventeen, has been medically certified as totally and permanently disabled, in the amount of:~~

~~1. One thousand five hundred dollars if the total assessment of such person does not exceed three thousand five hundred dollars.~~

~~2. One thousand dollars if the total assessment of such person does not exceed four thousand dollars.~~

~~3. Five hundred dollars if the total assessment of such person does not exceed four thousand five hundred dollars.~~

~~4. Two hundred fifty dollars if the total assessment of such person does not exceed five thousand dollars.~~

~~5. No exemption if the total assessment of such person exceeds five thousand dollars. The legislature may by law prescribe criteria for medical certification of such disability.~~

~~B. The income from all sources of the person who is disabled, the person's spouse and all of the person's children who reside in the person's residence in the year immediately preceding the year for which the person applies for this exemption shall not exceed:~~

~~1. Seven thousand dollars if none of the person's children under the age of eighteen years resided in the person's residence; or~~

~~2. Ten thousand dollars if one or more of the person's children residing in the residence was under the age of eighteen years or was totally and permanently disabled, physically or mentally, as certified by competent medical authority as provided by law.~~

~~C. No property shall be exempt which has been conveyed to evade taxation. The total exemption from taxation granted to the property owned by a person who qualifies for any exemption in accordance with the terms of this section shall not exceed one thousand five hundred dollars. This section shall be self-executing.~~

~~2.3. Exemption from tax; increase in amount of exemptions, assessments and income~~

~~Section 2.3. The legislature may by law increase the amount of the exemptions, the total permissible amount of assessments or the permissible amount of income from all sources prescribed in sections 2, 2.1 and 2.2 of this article.~~

~~18.||Residential ad valorem tax limits; limit on increase in values; definitions~~

~~Section 18. (1) The maximum amount of ad valorem taxes that may be collected from residential property in any tax year shall not exceed one per cent of the property's full cash value as limited by this section.~~

~~(2) The limitation provided in subsection (1) does not apply to:~~

~~(a) Ad valorem taxes or special assessments levied to pay the principal of and interest and redemption charges on bonded indebtedness or other lawful long-term obligations issued or incurred for a specific purpose.~~

~~(b) Ad valorem taxes or assessments levied by or for property improvement assessment districts, improvement districts and other special purpose districts other than counties, cities, towns, school districts and community college districts.~~

~~(c) Ad valorem taxes levied pursuant to an election to exceed a budget, expenditure or tax limitation.~~

~~(3) Except as otherwise provided by subsections (5), (6) and (7) of this section:~~

~~(a) Through tax year 2014, the value of real property and improvements and the value of mobile homes used for all ad valorem taxes except those specified in subsection (2) shall be the lesser of the full cash value of the property or an amount ten per cent greater than the value of property determined pursuant to this subsection for the prior year or an amount equal to the value of property determined pursuant to this subsection for the prior year plus one-fourth of the difference between such value and the full cash value of the property for current tax year, whichever is greater.~~

~~(b) For the purposes of taxes levied beginning in tax year 2015, the value of real property and improvements, including mobile homes, used for all ad valorem taxes shall be the lesser of the full cash value of the property or an amount five per cent greater than the value of property determined pursuant to this subsection for the prior year.~~

~~(4) The legislature shall by law provide a method of determining the value, subject to the provisions of subsection (3), of new property.~~

~~(5) The limitation on increases in the value of property prescribed in subsection (3) does not apply to equalization orders that the legislature specifically exempts by law from such limitation.~~

~~(6) Subsection (3) does not apply to:~~

~~(a) Property used in the business of patented or unpatented producing mines and the mills and the smelters operated in connection with the mines.~~

~~(b) Producing oil, gas and geothermal interests.~~

~~(c) Real property, improvements thereto and personal property used thereon used in the operation of telephone, telegraph, gas, water and electric utility companies.~~

~~(d) Aircraft that is regularly scheduled and operated by an airline company for the primary purpose of carrying persons or property for hire in interstate, intrastate or international transportation.~~

~~(e) Standing timber.~~

~~(f) Property used in the operation of pipelines.~~

~~(g) Personal property regardless of use except mobile homes.~~

~~(7) A resident of this state who is sixty-five years of age or older may apply to the county assessor for a property valuation protection option on the person's primary residence, including not more than ten acres of undeveloped appurtenant land. To be eligible for the property valuation protection option, the resident shall make application and furnish documentation required by the assessor on or before September 1. If the resident fails to file the application on or before September 1, the assessor shall process the application for the subsequent year. If the resident files an application with the assessor on or before September 1, the assessor shall notify the resident whether the application is accepted or denied on or before December 1. The resident may apply for a property valuation protection option after residing in the primary residence for two years. If one person owns the property, the person's total income from all sources including nontaxable income shall not exceed four hundred per cent of the supplemental security income benefit rate established by section 1611(b)(1) of the social security act. If the property is owned by two or more persons, including a husband and wife, at least one of the owners must be sixty-five years of age or older and the owners' combined total income from all sources~~

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~~including nontaxable income shall not exceed five hundred per cent of the supplemental security income benefit rate established by section 1611(b)(1) of the social security act. The assessor shall review the owner's income qualifications on a triennial basis and shall use the owner's average total income during the previous three years for the review. If the county assessor approves a property valuation protection option, the value of the primary residence shall remain fixed at the valuation determined pursuant to subsection (3) that is in effect during the year the property valuation protection option is filed and as long as the owner remains eligible. To remain eligible, the county assessor shall require a qualifying resident to reapply for the property valuation protection option every three years and shall send a notice of reapplication to qualifying residents six months before the three year reapplication requirement. If title to the property is conveyed to any person who does not qualify for the property valuation protection option, the property valuation protection option terminates, and the property shall revert to its current full cash value.~~

~~(8) The legislature shall provide by law a system of property taxation consistent with the provisions of this section.~~

~~(9) For the purposes of this section:~~

~~(a) "Owner" means the owner of record of the property and includes a person who owns the majority beneficial interest of a living trust.~~

~~(b) "Primary residence" means all owner occupied real property and improvements to that real property in this state that is a single family home, condominium or townhouse or an owner occupied mobile home and that is used for residential purposes.~~

~~19. Limitation on annual increases in local ad valorem tax levies; exceptions~~

~~Section 19. (1) The maximum amount of ad valorem taxes levied by any county, city, town or community college district shall not exceed an amount two per cent greater than the amount levied in the preceding year.~~

~~(2) The limitation prescribed by subsection (1) does not apply to:~~

~~(a) Ad valorem taxes or special assessments levied to pay the principal of and the interest and redemption charges on bonded indebtedness or other lawful long-term obligations issued or incurred for a specific purpose.~~

~~(b) Ad valorem taxes or assessments levied by or for property improvement assessment districts, improvement districts and other special purpose districts other than counties, cities, towns and community college districts.~~

~~(c) Ad valorem taxes levied by counties for support of school districts.~~

~~(3) This section applies to all tax years beginning after December 31, 1981.~~

~~(4) The limitation prescribed by subsection (1) shall be increased each year to the maximum permissible limit, whether or not the political subdivision actually levies ad valorem taxes to such amounts, except that beginning in 2007 the limitation prescribed by subsection (1) shall be computed from the actual tax levy of the county, city, town or community college district in 2005.~~

~~(5) The voters, in the manner prescribed by law, may elect to allow ad valorem taxation in excess of the limitation prescribed by this section.~~

~~(6) The limitation prescribed by subsection (1) of this section shall be increased by the amount of ad valorem taxes levied against property not subject to taxation in the prior year and shall be decreased by the amount of ad valorem taxes levied against property subject to taxation in the prior year and not subject to taxation in the current year. Such amounts of ad valorem taxes shall be computed using the rate applied to property not subject to this subsection.~~

~~(7) The legislature shall provide by law for the implementation of this section.~~

18. Property taxes, property valuation

SECTION 18.

A. THE MAXIMUM AMOUNT, INCLUSIVE OF ALL AD VALOREM AND NON-AD VALOREM TAXES FROM ANY SOURCE, THAT MAY BE COLLECTED FROM RESIDENTIAL REAL PROPERTY IN ANY TAX YEAR SHALL NOT EXCEED ONE PER CENT OF THE PROPERTY'S BASELINE VALUE AS DETERMINED PURSUANT TO THIS SECTION.

B. THE MAXIMUM AMOUNT, INCLUSIVE OF ALL AD VALOREM AND NON-AD VALOREM TAXES FROM ANY SOURCE, THAT MAY BE COLLECTED FROM ALL OTHER REAL PROPERTY IN ANY TAX YEAR SHALL NOT EXCEED ONE AND ONE HALF PER CENT OF THE PROPERTY'S BASELINE VALUE AS DETERMINED PURSUANT TO THIS SECTION.

C. BEGINNING ON JANUARY 1, 2017, A PROPERTY'S BASELINE VALUE SHALL BE DETERMINED AS FOLLOWS:

1. FOR REAL PROPERTY PURCHASED PRIOR TO JANUARY 1, 2017, THE 2015 "LIMITED PROPERTY VALUE" SHOWN ON THE 2015 TAX BILL FROM THE COUNTY ASSESSOR SHALL BE THE BASELINE VALUE.
2. FOR REAL PROPERTY PURCHASED ON OR AFTER JANUARY 1, 2017, THE APPRAISED VALUE OF REAL PROPERTY WHEN PURCHASED, NEWLY CONSTRUCTED, OR A CHANGE IN OWNERSHIP HAS OCCURRED SHALL BE THE BASELINE VALUE.

D. THE BASELINE VALUE MAY REFLECT FROM YEAR TO YEAR THE INFLATIONARY RATE NOT TO EXCEED TWO PERCENT FOR ANY GIVEN YEAR, OR REDUCTION AS SHOWN IN THE CONSUMER PRICE INDEX OR COMPARABLE DATA FOR THE AREA UNDER TAXING JURISDICTION.

E. WHEN THE VALUE OF REAL PROPERTY DECLINES BELOW BASELINE VALUE, A DECLINE IN VALUE APPEAL MAY BE FILED WITH THE COUNTY ASSESSOR. IF A REDUCTION IN BASELINE VALUE IS GRANTED, THE VALUE FOR PROPERTY TAX PURPOSES SHALL RISE AS THE MARKET RISES BUT SHALL NOT EXCEED THE BASELINE VALUE PLUS ANY INFLATIONARY RATE ADJUSTMENT SPECIFIED IN SECTION 18 (D).

F. A RESIDENT OF THIS STATE WHO IS SIXTY-FIVE YEARS OF AGE OR OLDER MAY APPLY TO THE COUNTY ASSESSOR FOR A PROPERTY VALUATION PROTECTION OPTION ON THE PERSON'S PRIMARY RESIDENCE, INCLUDING NOT MORE THAN TEN ACRES OF UNDEVELOPED APPURTENANT LAND. TO BE ELIGIBLE FOR THE PROPERTY VALUATION PROTECTION OPTION, THE RESIDENT SHALL MAKE APPLICATION AND FURNISH DOCUMENTATION REQUIRED BY THE ASSESSOR ON OR BEFORE SEPTEMBER 1. IF THE RESIDENT FAILS TO FILE THE APPLICATION ON OR BEFORE SEPTEMBER 1, THE ASSESSOR SHALL PROCESS THE APPLICATION FOR THE SUBSEQUENT YEAR. IF THE RESIDENT FILES AN APPLICATION WITH THE ASSESSOR ON OR BEFORE SEPTEMBER 1, THE ASSESSOR SHALL NOTIFY THE RESIDENT WHETHER THE APPLICATION IS ACCEPTED OR DENIED ON OR BEFORE DECEMBER 1. THE RESIDENT MAY APPLY FOR A PROPERTY VALUATION PROTECTION OPTION AFTER RESIDING IN THE PRIMARY RESIDENCE FOR TWO YEARS. IF ONE PERSON OWNS THE PROPERTY, THE PERSON'S TOTAL INCOME FROM ALL SOURCES INCLUDING NONTAXABLE INCOME SHALL NOT EXCEED FOUR HUNDRED PER CENT OF THE SUPPLEMENTAL SECURITY INCOME BENEFIT RATE ESTABLISHED BY SECTION 1611(b)(1) OF THE SOCIAL SECURITY ACT. IF THE PROPERTY IS OWNED BY TWO OR MORE PERSONS, INCLUDING A HUSBAND AND WIFE, AT LEAST ONE OF THE OWNERS MUST BE SIXTY-FIVE YEARS OF AGE OR OLDER AND THE OWNERS' COMBINED TOTAL INCOME FROM ALL SOURCES INCLUDING NONTAXABLE INCOME SHALL NOT EXCEED FIVE HUNDRED PER CENT OF THE SUPPLEMENTAL SECURITY INCOME BENEFIT RATE ESTABLISHED BY SECTION 1611(b) (1) OF THE SOCIAL SECURITY ACT. THE ASSESSOR SHALL REVIEW THE OWNER'S INCOME QUALIFICATIONS ON A TRIENNIAL BASIS AND SHALL USE THE OWNER'S AVERAGE TOTAL INCOME DURING THE PREVIOUS THREE YEARS FOR THE REVIEW. IF THE COUNTY ASSESSOR APPROVES A PROPERTY VALUATION PROTECTION OPTION, THE VALUE OF THE PRIMARY RESIDENCE SHALL REMAIN FIXED AT THE BASELINE VALUE IN EFFECT DURING THE YEAR THE PROPERTY VALUATION PROTECTION OPTION IS FILED AND AS LONG AS THE OWNER REMAINS ELIGIBLE. TO REMAIN ELIGIBLE, THE COUNTY ASSESSOR SHALL REQUIRE A QUALIFYING RESIDENT TO REAPPLY FOR THE PROPERTY VALUATION PROTECTION OPTION EVERY THREE YEARS AND SHALL SEND A NOTICE OF REAPPLICATION TO QUALIFYING RESIDENTS SIX MONTHS BEFORE THE THREE YEAR REAPPLICATION REQUIREMENT. IF TITLE TO THE PROPERTY IS CONVEYED TO ANY PERSON WHO DOES NOT QUALIFY FOR THE PROPERTY VALUATION PROTECTION OPTION, THE PROPERTY VALUATION PROTECTION OPTION TERMINATES, AND THE PROPERTY SHALL REVERT TO ITS BASELINE VALUE DETERMINED PURSUANT TO THIS SECTION.

G. STARTING ON JANUARY 1, 2017, PERSONAL PROPERTY TAX WILL BEGIN PHASE OUT BY REDUCING THE TAX RATE BY 1/3 IN TAX YEAR 2017 AND 1/3 IN TAX YEAR 2018. AS OF JANUARY 1, 2019, PERSONAL PROPERTY SHALL NOT BE SUBJECT TO TAXATION AND ARTICLE 9, SECTIONS 2, 2.1, 2.2 AND 2.3 SHALL BE STRUCK FROM THE ARIZONA CONSTITUTION.

H. THE LEGISLATURE SHALL PROVIDE BY LAW A SYSTEM OF PROPERTY TAXATION CONSISTENT WITH THIS SECTION.

I. FOR THE PURPOSES OF THIS SECTION:

1. "OWNER" MEANS THE OWNER OF RECORD OF THE PROPERTY AND INCLUDES A PERSON WHO OWNS THE MAJORITY BENEFICIAL INTEREST OF A LIVING TRUST.
2. "RESIDENTIAL REAL PROPERTY" INCLUDES ALL OWNER OCCUPIED RESIDENTIAL REAL PROPERTY AND IMPROVEMENTS, ALL REAL PROPERTY AND IMPROVEMENTS USED AS LEASED OR RENTED PROPERTY PRIMARILY FOR RESIDENTIAL PURPOSES.
3. "PERSONAL PROPERTY" IS DEFINED AS ALL TYPES OF PROPERTY EXCEPT REAL ESTATE. IT USUALLY CAN BE REMOVED WITHOUT CAUSING DAMAGE TO EITHER THE REAL ESTATE FROM WHICH IT IS REMOVED OR THE ITEM OF PROPERTY ITSELF.

J. THIS SECTION SHALL BE SELF-EXECUTING AND EFFECTIVE ON JANUARY 1, 2017.

K. IF ANY PORTION OF THIS SECTION IS HELD INVALID FOR ANY REASON, THE REMAINING PORTIONS OF THIS SECTION SHALL NOT BE AFFECTED BUT WILL REMAIN IN FULL FORCE AND EFFECT.

Section 4. The Secretary of State shall submit this proposition to the voters at the next general election as provided by Article XXI, Constitution of Arizona.